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SENATE BILL 567

**46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004**

INTRODUCED BY

Manny M. Aragon

AN ACT

RELATING TO PROPERTY TAX; INCREASING THE TAX RATE AUTHORIZED FOR CERTAIN COUNTIES; DECREASING THE TAX RATE AUTHORIZED FOR CERTAIN MUNICIPALITIES; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-37-7 NMSA 1978 (being Laws 1973, Chapter 258, Section 40, as amended) is amended to read:

"7-37-7. TAX RATES AUTHORIZED--LIMITATIONS.--

A. The tax rates specified in Subsection B of this section are the maximum rates that may be set by the department of finance and administration for the use of the stated governmental units for the purposes stated in that subsection. The tax rates set for residential property for county, school district or municipal general purposes or for the purposes authorized in Paragraph (2) of Subsection C of this section

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1 shall be the same as the tax rates set for nonresidential  
2 property for those governmental units for those purposes unless  
3 different rates are required because of limitations imposed by  
4 Section 7-37-7.1 NMSA 1978. The department of finance and  
5 administration may set a rate at less than the maximum in any  
6 tax year. In addition to the rates authorized in Subsection B  
7 of this section, the department of finance and administration  
8 shall also determine and set the necessary rates authorized in  
9 Subsection C of this section. The tax rates authorized in  
10 Paragraphs (1) and (3) of Subsection C of this section shall be  
11 set at the same rate for both residential and nonresidential  
12 property. Rates shall be set after the governmental units'  
13 budget-making and approval process is completed and shall be  
14 set in accordance with Section 7-38-33 NMSA 1978. Orders  
15 imposing the rates set for all units of government shall be  
16 made by the boards of county commissioners after rates are set  
17 and certified to the boards by the department of finance and  
18 administration. The department of finance and administration  
19 shall also certify the rates set for nonresidential property in  
20 governmental units to the department for use in collecting  
21 taxes imposed under the Oil and Gas Ad Valorem Production Tax  
22 Act, the Oil and Gas Production Equipment Ad Valorem Tax Act  
23 and the Copper Production Ad Valorem Tax Act.

24 B. The following tax rates for the indicated  
25 purposes are authorized:

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1 (1) for the use of each county for general  
2 purposes for the 1987 and subsequent property tax years, a rate  
3 of eleven dollars eighty-five cents (\$11.85) for each one  
4 thousand dollars (\$1,000) of net taxable value of both  
5 residential and nonresidential property allocated to the  
6 county;

7 (2) for the use of each school district for  
8 general operating purposes, a rate of fifty cents (\$.50) for  
9 each one thousand dollars (\$1,000) of net taxable value of both  
10 residential and nonresidential property allocated to the school  
11 district; [~~and~~]

12 (3) except as provided in Paragraph (4) of  
13 this subsection, for the use of each municipality for general  
14 purposes for the 1987 and subsequent property tax years, a rate  
15 of seven dollars sixty-five cents (\$7.65) for each one thousand  
16 dollars (\$1,000) of net taxable value of both residential and  
17 nonresidential property allocated to the municipality;

18 (4) for the use of a municipality with a  
19 population greater than four hundred thousand in the most  
20 recent federal decennial census in a class A county for general  
21 purposes for the 2004 and subsequent property tax years, a rate  
22 of three dollars sixty-five cents (\$3.65) for each one thousand  
23 dollars (\$1,000) of net taxable value of both residential and  
24 nonresidential property allocated to the municipality; and

25 (5) for the use of each class A county with a

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1 population greater than five hundred thousand in the most  
2 recent federal decennial census for infrastructure improvements  
3 for the 2004 and subsequent property tax years, an additional  
4 rate of four dollars (\$4.00) for each one thousand dollars  
5 (\$1,000) of net taxable value of both residential and  
6 nonresidential property allocated to the county. The  
7 additional rate shall be imposed by ordinance of the board of  
8 county commissioners.

9 C. In addition to the rates authorized in  
10 Subsection B of this section, there are also authorized:

11 (1) those rates or impositions authorized  
12 under provisions of law outside of the Property Tax Code that  
13 are for the use of the governmental units indicated in those  
14 provisions and are for the stated purpose of paying principal  
15 and interest on a public general obligation debt incurred under  
16 those provisions of law;

17 (2) those rates or impositions authorized  
18 under provisions of law outside of the Property Tax Code that  
19 are for the use of the governmental units indicated in those  
20 provisions, are for the stated purposes authorized by those  
21 provisions and have been approved by the voters of the  
22 governmental unit in the manner required by law; and

23 (3) those rates or impositions necessary for  
24 the use of a governmental unit to pay a tort or workers'  
25 compensation judgment for which a county, municipality or

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1 school district is liable, subject to the limitations in  
2 Subsection B of Section 41-4-25 NMSA 1978, but no rate or  
3 imposition shall be authorized to pay any judgment other than  
4 one arising from a tort or workers' compensation claim.

5 D. The rates and impositions authorized under  
6 Subsection C of this section shall be on the net taxable value  
7 of both residential and nonresidential property allocated to  
8 the unit of government specified in the provisions of the other  
9 laws."

10 Section 2. APPLICABILITY.--The provisions of Section 1 of  
11 this act are applicable to the 2004 and subsequent property tax  
12 years.

13 Section 3. EMERGENCY.--It is necessary for the public  
14 peace, health and safety that this act take effect immediately.